

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2949 - HB 3270

March 2, 2012

SUMMARY OF BILL: Authorizes a city in a county not participating in a region to join the state Regional Library System as related to state purchasing contracts, with approval by the Secretary of State.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$471,400

Assumptions:

- Currently, two or more counties, that have qualified for participation in the state's multi-county regional library program and that have been recognized as a region by the Secretary of State, are authorized to execute contracts with each other to create a regional library board to assist the Secretary of State, acting through the Division of Public Libraries and Archives, in administering and controlling the Regional Library Services within the region.
- The system presently excludes all libraries in Davidson, Hamilton, Knox and Shelby counties, as well as approximately 10 other libraries that have chosen not to be a part of the Regional Library System.
- The current contracts administered for the Regional Library System include the R.E.A.D.S. e-book and audio download services, Lyris cataloging and consulting, and Bibliostat statistical services. These three services cost the system approximately \$600,000 per year.
- The consulting and training that supports these services through the Regional Library System cost \$431,502 (10% of the total consulting + \$30,000 for a data coordinator).
- The total cost of these services is \$1,031,502 (\$600,000 + 431,502).
- There are currently 180 libraries in the system. The cost per library is approximately \$5,730 (\$1,031,502 / 180).
- As a result of the bill, 55 new libraries could potentially come into the Regional Library System (45 libraries in the metro systems and 10 independent non-metro libraries) at a cost of \$315,150 per year (55 x \$5,730)
- In addition, materials in the R.E.A.D.S. system cost approximately \$250,000 per year to serve four million Tennesseans. Adding materials to serve the 2.5 million Tennesseans currently served by the metro and independent libraries will require an additional expenditure of \$156,250.

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- The total cost of contracted services plus materials will be \$471,400 annually (\$315,150 + 156,250).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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